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# MEDICAID MEMO

TO: All Pharmacy, Medical Providers, Dental Providers, and  
Managed Care Organizations Participating in the Virginia  
Medical Assistance Programs

FROM: Patrick W. Finnerty, Director  
Department of Medical Assistance Services (DMAS)

MEMO: Special

DATE: 9/5/2007

SUBJECT: Implementation of Tamper-Resistant Prescription Pad Requirements –  
Effective October 1, 2007

The purpose of this memorandum is to inform you that Congress has enacted a new law that mandates the use of tamper-resistant prescription pads for most outpatient prescriptions written for fee-for-service Medicaid recipients. This mandate becomes effective October 1, 2007. Specifically, Section 7002 (b) of the U.S. Troop Readiness, Veterans' Health Care, Katrina Recovery and Iraq Accountability Appropriations Act of 2007 (P.L. 110-28) mandates that federal reimbursement be denied to states for Medicaid patients' outpatient prescriptions that are not written on tamper-resistant prescription pads. (*This legislation can be viewed on page 132 at: [http://www.rules.house.gov/110/special\\_rules/hr2206\\_senate/hr2206\\_amnd1\\_senate.pdf](http://www.rules.house.gov/110/special_rules/hr2206_senate/hr2206_amnd1_senate.pdf)*). The law was designed to deter patients from obtaining controlled substances through forged prescriptions and to achieve savings on pharmaceutical expenditures. **To comply with this federal mandate, the Virginia Medicaid Fee-For-Service Program will require the use of tamper-resistant pads on all non-electronic, outpatient prescriptions (excluding e-prescribing, fax, or telephone), effective October 1, 2007.**

We apologize for the short notice of this requirement. However, the Centers for Medicare and Medicaid Services (CMS) just released guidance to states on implementing this requirement in late August. In fact, at the time this memorandum was released, CMS still had not finalized its guidance to states. However, we felt it was imperative to communicate the information we have at this time with our providers. DMAS is working with several Virginia provider associations to facilitate the transition to tamper-resistant prescription pads.

### **Affected Medicaid Clients**

The use of tamper-resistant prescription pads is effective for the Medicaid, MEDALLION, FAMIS, and FAMIS Plus fee-for-service populations. Based on CMS guidance, the tamper resistant pad requirement applies to all outpatient drugs, including over-the-counter drugs, whether Medicaid is the primary or secondary payor of the prescription.

### **Exemptions to Requirement**

According to CMS, the following are exemptions to the tamper-resistant prescription pad requirements:

- Prescriptions paid by a Medicaid managed care entity (*this means prescriptions written for patients enrolled in any of our contracted managed care organizations -- Anthem, Virginia Premier, AmeriGroup, CareNet, and Optima -- are not subject to this requirement*);
- Prescriptions transmitted to the pharmacy via e-prescribing, fax, or telephone. **Faxing is the preferred method.** (*Please note, however, that Drug Enforcement Administration regulations regarding controlled substances may require a written prescription*);
- Drugs provided in nursing facilities, intermediate care facilities for the mentally retarded, and other specified institutional and clinical settings, to the extent that they are not separately reimbursed; and
- Refills of written prescriptions presented at a pharmacy before October 1, 2007.

### **Key Implementation Issues**

DMAS has taken the following actions to ease the transition to tamper-resistant prescription pads:

- DMAS will mail postcards to all fee-for-service Medicaid recipients about 10 days before October 1, 2007, to notify them of this requirement and inform them of the impact this may have on them and their providers.
- DMAS will provide payment for out-of-state prescriptions filled by Virginia pharmacists so long as the written prescription is on a tamper-resistant pad that meets at least one of the required characteristics listed below.
- DMAS will authorize payment for prescriptions that are filled when presented on a non-compliant prescription drug pad so long as the pharmacy receives a verbal, faxed, electronic or compliant written prescription within 72 hours after the date on which the prescription was filled. **Faxing is the preferred method.**

### **What Qualifies As A Tamper-Resistant Prescription Pad?**

CMS has advised states that to be considered “tamper-resistant” on October 1, 2007, a prescription pad must contain at least one of the following three characteristics:

1. one or more industry-recognized features designed to prevent unauthorized copying of a completed or blank prescription form; or

*Examples include 1) Latent Repetitive Void Pattern where "void" or "illegal" would appear across the face of the security prescription form if photocopied or scanned; 2) Uniform Background Color where there is a standard background ink (i.e., blue or green) that is consistent on every blank and listed as a security feature; and 3) Holograms on the face of the security prescription form.*

2. one or more industry-recognized features designed to prevent the erasure or modification of information written on the prescription by the prescriber; or  
*Examples include 1) Chemical Void which prevents alteration by chemical washing such that if the security prescription form is exposed to ink solvents (e.g., acetone) a "void" pattern will appear or it will be heavily stained; 2) Thermochromic Ink in which a feature (e.g., symbol or text) is printed in thermochromic ink that will change color or disappear temporarily when exposed to heat; and 3) Opaque Writing where an area with writing will disappear if the security prescription form is lightened.*
3. one or more industry-recognized features designed to prevent the use of counterfeit prescription forms.  
*Examples include 1) Watermark with vendor-specified wording or design in the background, and 2) Form batch numbers or tracking identification numbers on every batch of security prescription forms with printed unique lot numbers that are numbered sequentially.*

However, CMS further advises that, beginning October 1, 2008, a prescription pad must contain all three characteristics to be considered "tamper-resistant."

*Please note that many security prescription forms describe each security feature, typically on the reverse side of the prescription form. In addition, some describe the features in "warning bands" across the face or along the edge of the security prescription form. There is no specific format, size or color required for the prescription pad.*

### **Availability of Tamper-Resistant Prescription Pads**

CMS has not released a list of "approved" vendors of tamper-resistant prescription drug pads. At this time, DMAS suggests that Virginia providers contact their current suppliers of prescription drug pads for information on the availability of "tamper-resistant" pads. Several states had similar requirements for use of tamper-resistant prescription drug pads prior to the federal legislation. CMS has "deemed" these states compliant with the new law. Virginia providers may wish to obtain information about the vendors and products used in these other states. Information is available through these states' websites as follows:

- California: [http://www.ag.ca.gov/bne/security\\_printer\\_list.php](http://www.ag.ca.gov/bne/security_printer_list.php)
- Florida: [http://floridamedicaid.consultec-inc.com/XJContent/RX\\_07\\_070212\\_Prescription\\_Pad\\_List\\_ver1.1.xls?id=000004295765](http://floridamedicaid.consultec-inc.com/XJContent/RX_07_070212_Prescription_Pad_List_ver1.1.xls?id=000004295765)
- Maine: <http://www.mainearepdl.org/index.pl/home/tamper-resistant-prescription-pads>

In addition, The Medical Society of Virginia has provided a partial list of tamper-resistant pad suppliers. These include:

Triple i  
Email: [triplei@multimedia.com](mailto:triplei@multimedia.com)  
Phone: 866-295-9244

Medical Forms  
Web site: [www.medical-forms.com](http://www.medical-forms.com)

Medical Arts Press  
Web site: [www.medicalartspress.com](http://www.medicalartspress.com)  
Phone: 800-328-2179

Script Paper  
Web site: [www.scriptpaper.com](http://www.scriptpaper.com)  
Phone: 800-333-0549

Rx Security  
Web site: [www.rxsecurity.com](http://www.rxsecurity.com)  
Phone: 800-667-9723

### **Additional Information**

If there are changes to the mandate or if CMS provides further guidance, DMAS will immediately update providers. A web page has been established on the DMAS web site to offer additional information on this mandate: <http://www.dmas.virginia.gov/pharm-news.htm>.

**Providers and recipients can also contact the First Health Services Clinical Call Center at 1-800-932-6648 (available 24 hours a day, seven days a week) with questions specifically regarding submission of appropriate prescriptions.**

Thank you for your patience and assistance in implementing this federal mandate.